

CITY OF BUCKEYE, ARIZONA



DEVELOPMENT FEE

SPECIAL REPORT

FISCAL YEAR ENDED JUNE 31, 2021

(Impact Fees effective beginning August 1, 2014)

Prepared by the City's Finance Department



September 21, 2021

The Finance Department of the City of Buckeye has prepared the annual report for the fiscal year ended June 30, 2021 on the sources and uses of development fees as required by Arizona Revised Statutes.

Arizona Revised Statutes §9-463.05.G requires that any municipality that assesses development fees must submit an annual report that includes the following information:

- The balance of each fund maintained for each type of development fee assessed as of the beginning and end of the fiscal year;
- The amount of interest or other earnings on the monies in each fund as of the end of the fiscal year;
- The amount of development fee monies used to repay:
 - Bonds issued by the municipality to pay the cost of a capital improvement project that is the subject of a development fee assessment;
 - Monies advanced by the municipality from funds other than the funds established for development fees in order to pay the cost of a capital improvement project that is the subject of a development fee assessment;
- The amount of development fee monies spent on each capital improvement project that is the subject of a development fee assessment and the physical location of each capital improvement project; and
- The amount of development fee monies spent for each purpose other than a capital improvement project that is the subject of a development fee assessment.

This required report must be submitted to the city clerk within ninety days following the end of each fiscal year. Copies are to be made available to the public on request. The City intends to make this report available on its web site at www.buckeyeaz.gov, select Main Menu, select Government, select Financial Reports, and select Impact Fee Report. State statutes provide that the annual report may contain financial information that has not been audited.

Arizona statutes, Section 9-463.05(B) allow municipalities to impose certain fees called development fees for the purpose of providing a revenue stream to provide necessary public infrastructure to meet the needs of new development, a concept sometimes referred to as "growth pays for growth". While development fees are assessed only against new development, some necessary public infrastructure may also require the use of general revenues when the infrastructure benefits both new development and existing residents, such as the construction of a regional park.

As development fees are collected, Arizona statutes require that they be deposited in a separate fund. Impact fees may be used only for the purpose(s) for which they were assessed and collected. Development fees are generally used for capital improvements or similar capital expenditures directly attributable to new growth and development. Development fees cannot be used for maintenance of those capital improvements or general governmental operations.

DEVELOPMENT FEE CATEGORIES

The City of Buckeye assesses and collects development fees in support of the following categories of government services:

- Water System construction, expansion and improvements;
- Waste Water System (sewer) construction, expansion, improvements;
- Public Safety Facilities (Fire and Emergency Medical Services and Police);
- Parks and Recreation construction, expansion and improvements;
- Library construction, expansion and improvements;
- Streets construction, expansion and improvements.

The City Council adopted new Development Fees based on Senate Bill 1525. These new development fees became effective August 1, 2014.

CITY OF BUCKEYE, ARIZONA
UNAUDITED DEVELOPMENT FEE SUMMARY
For the Fiscal Year Ended June 30, 2021

| | 7/1/2020 Beginning Balance | FY 2020 - 2021 | | 6/30/2021 Ending Balance |
|------------------------|----------------------------------|---------------------|-----------------------|--------------------------------|
| | | Sources | Uses | |
| Water | \$ 3,829,738 | \$ 346,258 | \$ (1,189,517) | \$ 2,986,479 |
| Wastewater | 2,283,929 | 775,592 | (364,579) | 2,694,942 |
| Public Safety Facility | 8,893,428 | 1,472,494 | (748,571) | 9,617,351 |
| Parks | 4,455,936 | 1,338,041 | (2,034,295) | 3,759,682 |
| Library | 2,570,356 | 29,760 | (1,900,507) | 699,609 |
| Streets | 1,504,066 | 288,858 | (668,903) | 1,124,021 |
| Total | <u>\$ 23,537,453</u> | <u>\$ 4,251,003</u> | <u>\$ (6,906,372)</u> | <u>\$ 20,882,084</u> |

CITY OF BUCKEYE, ARIZONA
SCHEDULE OF DEVELOPMENT FEE COLLECTIONS AND USES
For the Fiscal Year Ended June 30, 2021
Public Safety Facilities

| | Fiscal Year Ended | |
|---|---------------------|---------------------|
| | 6/30/2020 | 6/30/2021 |
| Sources: | | |
| Impact Fees Collected: | | |
| North | \$ 14,686 | \$ 6,132 |
| Central North | 1,182,999 | 115,390 |
| Central East | 1,986,942 | 1,250,412 |
| Interest Earned | 243,499 | 100,560 |
| Total Sources | \$ 3,428,126 | \$ 1,472,494 |
| Uses: | | |
| Current: | | |
| Professional Services | \$ 1,600 | \$ 3,000 |
| Impact Fee Reimbursement per development agreement | 861,546 | 56,210 |
| Transfer to other funds | 2,017,985 | 689,361 |
| Total Uses | 2,881,131 | 748,571 |
| Excess/(Deficiency) of Current Sources over/(under) | | |
| Current Uses | 546,995 | 723,923 |
| Fund Balance, Beginning July 1 | 8,346,433 | 8,893,428 |
| Fund Balance, Ending June 30 | \$ 8,893,428 | \$ 9,617,351 |

NOTE: Fiscal year ending June 30, 2021 amounts are unaudited as permitted by ARS §9-463.05(H)
Transfer to other funds to cover growth related capital expenditures
Capital Expenditures paid during FY 2020 and FY 2021

| | FY 2020 | FY 2021 |
|---|------------------|----------------|
| Design/Construction of the new Tartesso Firestation | - | 83,812 |
| Police Evidence Building construction | 1,787,241 | 9,557 |
| Communication Tower, Park N Ride | 26,127 | 143,987 |
| Design & Planning of Police Communications Center | 17 | 452,005 |
| Police vehicles for new officers due to growth | 204,600 | - |
| Total Capital Expenditures | 2,017,985 | 689,361 |

CITY OF BUCKEYE, ARIZONA
SCHEDULE OF DEVELOPMENT FEE COLLECTIONS AND USES
For the Fiscal Year Ended June 30, 2021
Parks and Recreation Facilities

| | Fiscal Year Ended | |
|---|---------------------|---------------------|
| | 6/30/2020 | 6/30/2021 |
| Sources: | | |
| Impact Fees Collected - | | |
| Central East | \$ 1,050,566 | \$ 1,286,814 |
| Interest Earned | 107,188 | 51,227 |
| Total Sources | \$ 1,157,754 | \$ 1,338,041 |
| Uses: | | |
| Current: | | |
| Professional Services | \$ 1,591 | \$ 3,000 |
| Transfer to other funds | 493,448 | 2,031,295 |
| Total Uses | 495,039 | 2,034,295 |
| Excess/(Deficiency) of Current Sources over/(under) | | |
| Current Uses | 662,715 | (696,254) |
| Fund Balance, Beginning July 1 | 3,793,221 | 4,455,936 |
| Fund Balance, Ending June 30 | \$ 4,455,936 | \$ 3,759,682 |

NOTE: Fiscal year ending June 30, 2021 amounts are unaudited as permitted by ARS §9-463.05(H)
Transfer to other funds to cover growth related capital expenditures
Capital Expenditures paid during FY 2020 and FY 2021

| | FY 2020 | FY 2021 |
|--|----------------|------------------|
| Sundance Park Phase II - Design | 295,858 | 1,104,056 |
| Sundance Crossings Tenant Improvements | 111,065 | 605,939 |
| Buckeye Pool Expansion - Design | 86,525 | 321,300 |
| Total Capital Expenditures | 493,448 | 2,031,295 |

CITY OF BUCKEYE, ARIZONA
SCHEDULE OF DEVELOPMENT FEE COLLECTIONS AND USES
For the Fiscal Year Ended June 30, 2021
Street Facilities

| | Fiscal Year Ended | |
|---|---------------------|---------------------|
| | 6/30/2020 | 6/30/2021 |
| Sources: | | |
| Impact Fees Collected: | | |
| Central North | \$ 143,193 | \$ 13,860 |
| Central East | 205,553 | 260,668 |
| Interest Earned | 32,889 | 14,330 |
| Total Sources | \$ 381,635 | \$ 288,858 |
| Uses: | | |
| Current: | | |
| Professional Services | \$ 2,487 | \$ 3,000 |
| Transfer to other funds | - | 665,903 |
| Total Uses | 2,487 | 668,903 |
| Excess/(Deficiency) of Current Sources over/(under) Current Uses | 379,148 | (380,045) |
| Fund Balance, Beginning July 1 | 1,124,918 | 1,504,066 |
| Fund Balance, Ending June 30 | \$ 1,504,066 | \$ 1,124,021 |

NOTE: Fiscal year ending June 30, 2021 amounts are unaudited as permitted by ARS §9-463.05(H)
Transfer to other funds to cover growth related capital expenditures
Capital Expenditures paid during FY 2020 and FY 2021

| | FY 2020 | FY 2021 |
|------------------|---------|---------|
| Miller/Watson TI | - | 665,903 |
| | - | 665,903 |

CITY OF BUCKEYE, ARIZONA
SCHEDULE OF DEVELOPMENT FEE COLLECTIONS AND USES
For the Fiscal Year Ended June 30, 2021
Library Facilities

| | Fiscal Year Ended | |
|--|---------------------|-------------------|
| | 6/30/2020 | 6/30/2021 |
| Sources: | | |
| Impact Fees Collected | | |
| North | \$ 135,201 | \$ 9,251 |
| Central East | 254,188 | - |
| Interest Earned | 59,580 | 20,509 |
| Total Sources | \$ 448,969 | \$ 29,760 |
| Uses: | | |
| Current: | | |
| Professional Services | \$ - | \$ 3,000 |
| Transfer to other funds | - | 1,810,066 |
| Impact Fee Reimbursement | - | 87,441 |
| Total Uses | - | 1,900,507 |
| Excess/(Deficiency) of Current Sources over/(under) Current Uses | 448,969 | (1,870,747) |
| Fund Balance, Beginning July 1 | 2,121,387 | 2,570,356 |
| Fund Balance, Ending June 30 | \$ 2,570,356 | \$ 699,609 |

NOTE: Fiscal year ending June 30, 2021 amounts are unaudited as permitted by ARS §9-463.05(H)
Transfer to other funds to cover growth related capital expenditures
Capital Expenditures paid during FY 2020 and FY 2021

| | FY 2020 | FY 2021 |
|---|----------|------------------|
| Reimbursement to General Fund for Sundance Library Improvements | | 1,810,000 |
| North Library Comm Center | - | 66 |
| | - | 1,810,066 |

CITY OF BUCKEYE, ARIZONA
SCHEDULE OF DEVELOPMENT FEE COLLECTIONS AND USES
For the Fiscal Year Ended June 30, 2021
Water System Facilities

| | Fiscal Year Ended | |
|--|---------------------|---------------------|
| | 6/30/2020 | 6/30/2021 |
| Sources: | | |
| Impact Fees Collected: | | |
| Central North - Reimbursement | \$ 1,498,776 | \$ 142,936 |
| Central North - Production | 351,565 | 33,530 |
| Central East - Production | 435,302 | 50,419 |
| Central East - Distribution | 876,221 | 84,864 |
| Interest Earned | 85,220 | 34,509 |
| Total Sources | \$ 3,247,084 | \$ 346,258 |
| Uses: | | |
| Current: | | |
| Professional Services | \$ 13,413 | \$ 3,000 |
| Impact Fee Reimbursement per development agreement | 1,833,348 | 179,740 |
| Transfer to other funds | - | 1,006,777 |
| Total Uses | 1,846,761 | 1,189,517 |
| Excess/(Deficiency) of Current Sources over/(under) Current Uses | 1,400,323 | (843,259) |
| Fund Balance, Beginning July 1 | 2,429,415 | 3,829,738 |
| Fund Balance, Ending June 30 | \$ 3,829,738 | \$ 2,986,479 |

NOTE: Fiscal year ending June 30, 2021 amounts are unaudited as permitted by ARS §9-463.05(H)
Transfer to other funds to cover growth related capital expenditures
Capital Expenditures paid during FY 2020 and FY 2021

| | FY 2020 | FY 2021 |
|-----------------------------|---------|-----------|
| Farrallon WC #16 | - | 1,000,000 |
| Water Treatment Facility #9 | - | 6,777 |
| | - | 1,006,777 |

CITY OF BUCKEYE, ARIZONA
SCHEDULE OF DEVELOPMENT FEE COLLECTIONS AND USES
For the Fiscal Year Ended June 30, 2021
Wastewater System Facilities

| | Fiscal Year Ended | |
|--|---------------------|---------------------|
| | 6/30/2020 | 6/30/2021 |
| Sources: | | |
| Impact Fees Collected | | |
| Central North - Reimbursement | \$ 3,307,340 | \$ 322,410 |
| Central East - Reclamation | 282,215 | 54,739 |
| Central East - Collection | 61,492 | 12,298 |
| Central East - Treatment | 496,459 | 46,936 |
| Interest Earned | 57,574 | 29,345 |
| Reimburse Wasterwater Impact Fee for 2A/2B | - | 309,864 |
| Total Sources | \$ 4,205,080 | \$ 775,592 |
| Uses: | | |
| Current: | | |
| Professional Services | \$ 13,440 | \$ - |
| Tartesso WWTP reimbursement | 3,288,582 | - |
| Impact Fee Reimbursement per development agreement | - | - |
| | 211,734 | 364,579 |
| Total Uses | 3,513,756 | 364,579 |
| Excess/(Deficiency) of Current Sources over/(under) Current Uses | 691,324 | 411,013 |
| Fund Balance, Beginning July 1 | 1,592,605 | 2,283,929 |
| Fund Balance, Ending June 30 | \$ 2,283,929 | \$ 2,694,942 |

NOTE: Fiscal year ending June 30, 2021 amounts are unaudited as permitted by ARS §9-463.05(H)
Transfer to other funds to cover growth related capital expenditures
No major capital projects started during FY 2020 or FY 2021